

Information Notice to Employees

Changes to the Net Pay Amount Commencing January 2015

The purpose of this notice is to provide you with information about changes to the net amount of pay commencing with the first pay of January 2015.

The following factors may affect your net pay:

Public Service Pension Plan

At the beginning of each year, the low rate of the two possible rates of contribution to the public service pension plan is used until the maximum level of contribution for that rate is reached. Then, the higher rate of contribution is used for the remainder of the year. Therefore, if you are a contributor under the public service pension plan and you compare your last pay in December to your first pay in January, you may see that you have paid a larger amount to the plan in December than in January.

Contributions to the public service pension plan have a direct bearing on the income tax deducted at source since these contributions are deducted from the gross pay before determining the tax rate. The larger the public service pension plan contribution, the less income tax will be withheld from your pay.

In accordance with the Federal Budget 2012, all new employees who become public service pension plan members on or after January 1, 2013 (Group 2 contributors) contribute at a different rate than employees who became public service pension plan members prior to January 1, 2013 (Group 1 contributors).

Group 1 contributors

Effective January 1, 2015, public service pension plan contributions will be 8.15% (to a maximum of \$4,368.40 for the 2015 taxation year) on all pensionable earnings below and equal to the yearly maximum pensionable earnings (YMPE) (\$53,600 for the 2015 taxation year), and 10.40% on all pensionable earnings over the YMPE.

Group 2 contributors

Effective January 1, 2015, public service pension plan contributions will be 7.05% (to a maximum of \$3,778.80 for the 2015 taxation year) on all pensionable earnings below and equal to the YMPE (\$53,600 for the 2015 taxation year), and 8.54% on all pensionable earnings over the YMPE.

Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) Contributions

Many employees reach their maximum level of CPP and QPP contributions sometime during the year. If you reach the maximum level of CPP/QPP, you see an increase in your net pay amount as there were no longer CPP/QPP deductions withheld. Beginning with the new year, you recommence paying CPP/QPP contributions until such time as you reach the maximum contribution level for 2015.

Effective January 1, 2015, the CPP rate remains at 4.95% of pensionable earnings. The maximum CPP contribution is \$2,479.95 for the 2015 taxation year. The QPP rate will be increased from 5.175% to 5.25% of pensionable earnings for 2015. The maximum QPP contribution is \$2,630.25 for the 2015 taxation year.

The CPP contributions provide a federal tax credit of 15%. This tax credit is applied directly to the income tax that is owing and is not dependent on the employee's income tax bracket. Please note that, effective January 1, 1998, the Quebec Tax Reform eliminated the Quebec provincial tax credit for QPP. This tax credit is now included in the basic credit amount of \$11,425 for the 2015 taxation year.

Employment Insurance (EI) Premiums

Many employees reach their maximum level of EI premiums sometime during the year. If you reach the maximum level of EI, you see an increase in your net pay amount as there were no longer EI premium withheld. Beginning with the new year, you recommence paying EI premium until such time as they reach the maximum EI premium deduction for 2015.

Your rate of EI premiums (excluding employees working in the province of Quebec) for the 2015 taxation year will remain at 1.88% of insurable earnings. The annual maximum insurable earnings will be increased from \$48,600 to \$49,500. The maximum premium deduction for 2015 is \$930.60.

If you work in the province of Quebec, your rate of EI premiums for the 2015 taxation year will be increased from 1.53% to 1.54% of insurable earnings. The annual maximum insurable earnings will be increased from \$48,600 to \$49,500. The maximum premium deduction for 2015 is \$762.30.

Quebec Parental Insurance Plan (QPIP)

Effective January 1, 2015, if you work in the province of Quebec, your QPIP premium rate will remain at 0.559% of insurable earnings. The annual maximum insurable earnings will be increased from \$69,000 to \$70,000. If you had reached your maximum QPIP premiums during the previous year, you will recommence paying QPIP premiums in the new year until the new annual maximum premium level is reached. The annual maximum premium deduction for 2015 is \$391.30.

Federal Tax Brackets and Rates effective January 1, 2015

Effective January 1, 2015, the federal income tax table changes as follows:

Table Summary

Federal Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 43,953		15%
43,953 to 87,907		22%
87,907 to 136,270		26%
Over 136,270		29%

Table Summary

Federal Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 44,701		15%

Federal Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
44,701 to 89,401		22%
89,401 to 138,586		26%
Over 138,586		29%

Canada Employment Credit

Effective January 1, 2015, the maximum amount on which the credit is calculated will increase from \$1,127 to \$1,146.

Federal labour-sponsored funds tax credit

For the 2015 taxation year, the federal labour-sponsored funds tax credit (LCF) will decrease from 15% to 10%.

Provincial and Territorial Tax Brackets and Rates Effective January 1, 2015

There are no changes to the tax brackets or rates for the provinces of Manitoba, Prince Edward Island and Nova Scotia.

Newfoundland and Labrador

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

Newfoundland and Labrador Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 34,254		7.7%
34,254 to 68,508		12.5%
Over 68,508		13.3%

Table Summary

Newfoundland and Labrador Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 35,008		7.7%
35,008 to 70,015		12.5%
Over 70,015		13.3%

New Brunswick

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

New Brunswick Tax Brackets and Rates effective January 1, 2014

Tax brackets	($\\$) Tax rates
More than - Not more than	
0 to 39,305	9.68%
39,305 to 78,609	14.82%
78,609 to 127,802	16.52%
Over 127,802	17.84%

Table Summary

New Brunswick Tax Brackets and Rates effective January 1, 2015

Tax brackets	($\\$) Tax rates
More than - Not more than	
0 to 39,973	9.68%
39,973 to 79,946	14.82%
79,946 to 129,975	16.52%
Over 129,975	17.84%

Ontario

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

Ontario Tax Brackets and Rates effective September 1, 2014

Tax brackets	($\\$) Tax rates
More than - Not more than	
0 to 40,120	5.05%
40,120 to 80,242	9.15%
80,242 to 150,000	11.16%
150,000 to 220,000	14.16%
220,000 to 514,090	17.16%
Over 514,090	13.16%

Table Summary

Ontario Tax Brackets and Rates effective January 1, 2015

Tax brackets	($\\$) Tax rates
More than - Not more than	
0 to 40,922	5.05%
40,922 to 81,847	9.15%
81,847 to 150,000	11.16%

Ontario Tax Brackets and Rates effective January 1, 2015

Tax brackets	(%) Tax rates
More than - Not more than	
150,000 to 220,000	12.16%
Over 220,000	13.16%

The provincial surtax payable has been revised as follows:

Where the basic provincial tax payable is less than or equal to \$4,418 (formerly \$4,331), the surtax payable is \$0.

Where the basic provincial tax payable is greater than \$4,418 and less than or equal to \$5,654 (formerly \$5,543), the surtax payable is 20% of the basic provincial tax payable in excess of \$4,418.

Where the basic provincial tax payable is greater than \$5,654, the surtax payable is the total of 20% of the basic provincial tax payable in excess of \$4,418, and 36% of the basic provincial tax payable in excess of \$5,654.

Saskatchewan

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

Saskatchewan Tax Brackets and Rates effective January 1, 2014

Tax brackets	(%) Tax rates
More than - Not more than	
0 to 43,292	11%
43,292 to 123,692	13%
Over 123,692	15%

Table Summary

Saskatchewan Tax Brackets and Rates effective January 1, 2015

Tax brackets	(%) Tax rates
More than - Not more than	
0 to 44,028	11%
44,028 to 125,795	13%
Over 125,795	15%

British Columbia

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

British Columbia Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 37,606		5.06%
37,606 to 75,213		7.70%
75,213 to 86,354		10.50%
86,354 to 104,858		12.29%
104,858 to 150,000		14.70%
Over 150,000		16.80%

Table Summary

British Columbia Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 37,869		5.06%
37,869 to 75,740		7.70%
75,740 to 86,958		10.50%
86,958 to 105,592		12.29%
105,592 to 151,050		14.70%
Over 151,050		16.80%

The provincial tax reduction is indexed and is calculated as follows:

Where net income is less than or equal to \$18,327 (formerly \$18,200), the reduction is equal to the lesser of (i) basic provincial tax, and (ii) remains at \$412.

Where net income is greater than \$18,327 and less than or equal to \$31,202 (formerly \$30,981.25), the reduction is equal to the lesser of (i) basic provincial tax, and (ii) $\$412 - [(\text{Annual net income} - \$18,327) \times 3.2\%]$.

Where net income is greater than \$31,202, the reduction is equal to \$0.

Quebec

Effective January 1, 2015, the provincial income tax table changes as follows:

Table Summary

Quebec Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 41,495		16%
41,495 to 82,985		20%
82,985 to 100,970		24%

Quebec Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
Over 100,970		25.75%

Table Summary

Quebec Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 41,935		16%
41,935 to 83,865		20%
83,865 to 102,040		24%
Over 102,040		25.75%

Deduction for employment income

Effective January 1, 2015, the deduction for employment income increases from \$1,110 to \$1,120.

Yukon

Effective January 1, 2015, the territorial income tax table changes as follows:

Table Summary

Yukon Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 43,953		7.04%
43,953 to 87,907		9.68%
87,907 to 136,270		11.44%
Over 136,270		12.76%

Table Summary

Yukon Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 44,701		7.04%
44,701 to 89,401		9.68%
89,401 to 138,586		11.44%
Over 138,586		12.76%

Territorial Employment Credit

Effective January 1, 2015, the maximum amount on which the credit is calculated increases from \$1,127 to \$1,146.

Northwest Territories

Effective January 1, 2015, the territorial income tax table changes as follows:

Table Summary

Northwest Territories Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 39,808		5.90%
39,808 to 79,618		8.60%
79,618 to 129,441		12.20%
Over 129,441		14.05%

Table Summary

Northwest Territories Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 40,484		5.90%
40,484 to 80,971		8.60%
80,971 to 131,641		12.20%
Over 131,641		14.05%

Nunavut

Effective January 1, 2015, the territorial income tax table changes as follows:

Table Summary

Nunavut Tax Brackets and Rates effective January 1, 2014

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 41,909		4.0%
41,909 to 83,818		7.0%
83,818 to 136,270		9.0%
Over 136,270		11.5%

Table Summary

Nunavut Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		

Nunavut Tax Brackets and Rates effective January 1, 2015

Tax brackets	(\$)	Tax rates
More than - Not more than		
0 to 42,622		4.0%
42,622 to 85,243		7.0%
85,243 to 138,586		9.0%
Over 138,586		11.5%

Change in province of work

The income tax deducted from your pay is based on your province of work. In some situations, when you change your province of work, your tax liability may be such that you owe the Canada Revenue Agency (CRA) and/or Revenu Québec at year end.

If you change your province of work at any time during the year, you are encouraged to review your personal tax situation in order to be aware of your tax liability upon filing at year end.

Tax Adjustment Factors

If you work in the province of Quebec in the National Capital Region (NCR) and reside in Ontario, or work in the province of Quebec and reside in Nova Scotia or New Brunswick, your Quebec provincial tax is calculated by using a tax adjustment factor, as provided by CRA. The tax adjustment factor will be applied against the amount of your federal tax calculated in Quebec, and the amount calculated becomes your Quebec provincial tax amount.

Effective January 1, 2015, the tax adjustment factors will be modified as follows:

Table Summary

Multiple Tax Adjustment Factors Effective January 1, 2014

Annual taxable income (\$)	Nova Scotia	New Brunswick	Ontario
More than - Not more than			
0 to 43,953	95%	97%	64%
43,953 to 87,907	105%	101%	72%
87,907 to 136,270	105%	100%	85%
Over 136,270	104%	100%	88%

Table Summary

Multiple Tax Adjustment Factors Effective January 1, 2015

Annual taxable income (\$)	Nova Scotia	New Brunswick	Ontario
More than - Not more than			
0 to 44,701	90%	97%	65%
44,701 to 89,401	106%	101%	72%
89,401 to 138,586	105%	100%	85%
Over 138,586	104%	100%	88%

If you wish to have more federal and/or Quebec income tax deducted, you may do so by completing a "2015 Personal Tax Credits Return", form [TD1 E \(15\)](#) and/or, for the province of Quebec, a "Source Deductions Return 2015", form [TP-1015.3-V \(2015-01\) \(www\)](#), and providing this documentation to your compensation advisor. If your department or agency has access to the Compensation Web Applications, you can activate your own additional tax deduction amount through the "Voluntary Deductions" option. Please note that, even though you activate your own additional tax deduction amount, you are still required to complete and send the form [TD1 E \(15\)](#) and/or the form [TP-1015.3-V \(2015-01\) \(www\)](#) to your compensation advisor.

Any request for information regarding the content of this document should be addressed to your compensation advisor.

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